

*China Code-File*

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NSC BRIEFING


2 February 1955

PROSPECTS FOR A CHINA CEASE-FIRE

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I.

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 ChiComs unlikely to agree to early cease-fire either in UN debate or secret talks.

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II. We are not sure ChiComs will refuse to attend UN debate, but we agree that if ChiComs do come they will adopt intransigent attitude.

A. We would expect them simply to demand withdrawal of US forces from China area.

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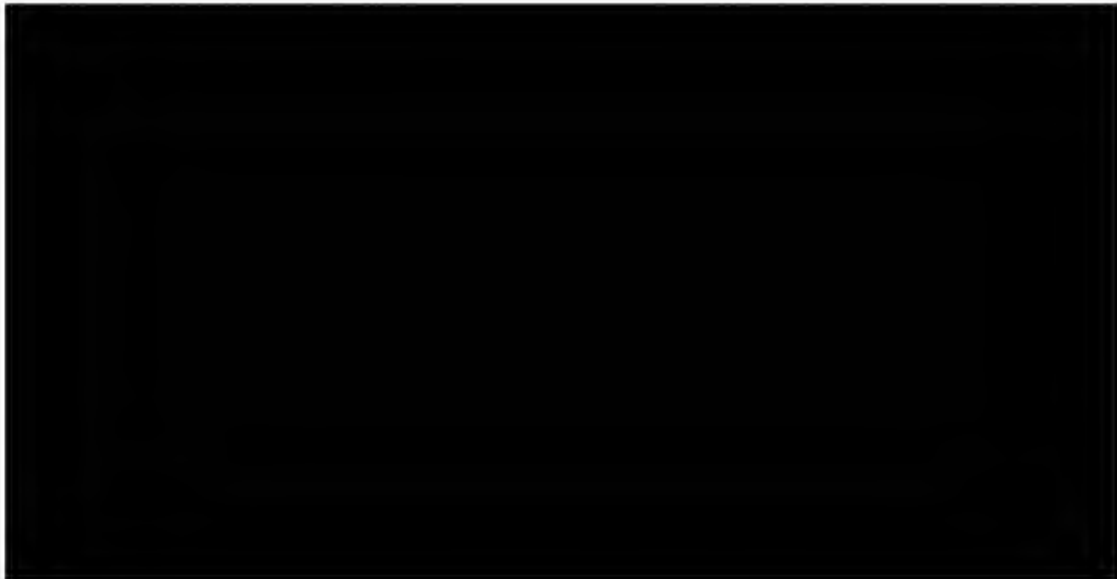
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- III. Many observers have expressed belief that Peiping, although rejecting formal cease-fire in public talks, might agree to de facto cease-fire in secret talks, either during UN debate or later.

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- IV. The prospect, therefore, is for the Chinese Communists deliberately to maintain tension for weeks or months.
- A. Both Moscow and Peiping want to increase strain on US relations with major allies and Asian "neutrals."
  - B. Comms are well aware most non-Comm nations want to avoid fighting which might lead to world war, that these nations would approve only those military moves in Formosa area aimed at restricting area of hostilities.

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- C. Comms probably believe that, if tension continues, many governments will intervene to attempt induce US to modify position.
- D. In this connection, Comms may believe Commonwealth prime ministers' conference in London will come up with endorsement of Peiping's position as preferable to risk of war.
- V. We believe Peiping will attempt to avoid large-scale hostilities with US at this time.
  - A. Despite ChiCom public and private assertions regime cannot be "intimidated" by US policy, Peiping in past has backed away from direct encounters with US naval and air power in China coastal area.
  - B. We believe that Moscow too wishes to avoid major war in Far East.
- VI. Offshore islands, however, continue to give Peiping area in which to maintain tension while minimizing risk of large-scale hostilities.
  - A. Large-scale attacks in Tachens may be renewed at any time, and we have no assurance of early warning.

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- C. Although logical targets for new attacks would be small outlying islands--Yushan or Pishan--Comms may in fact be planning early invasion of main islands, Upper and Lower Tachen.
- D. Ichiang naval force, still operating in area between Shanghai and Tachens, has apparently been strengthened by ships from Tsingtao.
- E. [REDACTED] eight ChiCom LST's, loaded with 20-30,000 fully-armed troops, left Tsingtao for south 23 January. Number of troops reported jibes with current estimates ChiCom strength needed to take main Tachens.
- F. Threat to Tachens has been increased by press reports--undoubtedly noted by Comms--that Chiang Kai-shek is holding up Tachens withdrawal until promised US support to defend other islands.
- G. Could have very messy situation if Chiang refuses to begin evacuation until ChiComs actually attack.
- H. We believe it unlikely that Comms would deliberately attack US forces engaged in evacuation of Nationalist garrisons in Tachens.
- I. This estimate supported by reported remark of Molotov (28 January, to Hearst) that, if Chiang Kai-shek chose to withdraw his forces from any island, "hardly anyone would try to prevent him from doing so."

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J. However, there seems real possibility of series of retaliatory actions, during evacuation, building up to serious trouble.

VII. Peiping is virtually certain to force US to clarify intentions as regards defense of Matsus and Quemoy.

A.



B. ChiComs might assault Matsus, where Nationalist forces weak, while US occupied with evacuation of Tachens.

C. We expect, however, that Comms will undertake probing actions--through attacks on ChiNat shipping, or air harassment, or shelling by artillery to north.

D. Comms do not appear prepared for invasion of Quemoy, where Nats have more than 50,000 troops. Comms have only 60,000 in area, would probably want to move in two more armies (100,000 troops).

E. Comms expected to probe in Quemoy area as well as in Matsus. Probing might take form of artillery or naval action, occasional air strikes, invasion of minor lightly-held islands of group.

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F. That Comms intend some action in Quemoy area indicated by CIA report Comms have constructed network of tunnels in hills near Amoy. Tunnels probably intended for use in stockpiling supplies and preventing loss in event of air raids or other non-Communist military action in area.